

Sandwell Towns Fund Superboard Rowley Regis Satellite Education Hub Full Business Case

20 January 2022

Subject:	Rowley Regis Rowley Regis Satellite Education Hub Full Business Case
Presenter:	Adrian Eggington – Chair for Rowley Regis Local Board Simon Griffiths – Sandwell College
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1. Recommendations

- 1.1. To receive and agree the final Full Business Case for Rowley Regis Satellite Education Hub, including the project equality impact assessment, environmental impact assessment and monitoring and evaluation plan.
- 1.2. To recommend the submission of the Full Business Case to the Assurance Panel and subject to successful appraisal, submission of the Project Summary Document to DLUHC.
- 1.3. To note that in the event that the Full Business Case appraisal leads to minor amends/ points of clarity being required, these will be addressed by the Project Lead in conjunction with the Chair of the Local Board, the Chair of the Superboard and the Assurance Panel.
- 1.4. To note that in the event that the appraisal leads to a recommendation of substantial changes to the Full Business Case, these will be addressed by the Project Lead in conjunction with the Chair of the Local Board, the Chair of the Superboard and the Assurance Panel.

2. Purpose of the Report

- 2.1. To present the Full Business Case for the Rowley Regis Satellite Education Hub project for agreement including an equality impact assessment, environmental impact assessment and monitoring and evaluation plan.



3. Background and Main Considerations

- 3.1. On 3 March 2021, Heads of Terms for a Town Deal for Rowley Regis were offered by Government. This included an offer of an overall funding package of £19m. The Heads of Terms offer is subject to the appraisal and approval of a Full Business Case for each project and the submission of a Summary Document (one per project) by March 2022.
- 3.2. The Town Deal for Rowley Regis was signed on 24 March 2021.
- 3.3. Details of the projects put forward for Rowley Regis Town Deal were re-confirmed with Government in the form of a Project Confirmation Table. These were considered by Superboard on 17 May and submitted following approval from the Council's S151 Officer.

4. Full Business Case Contents

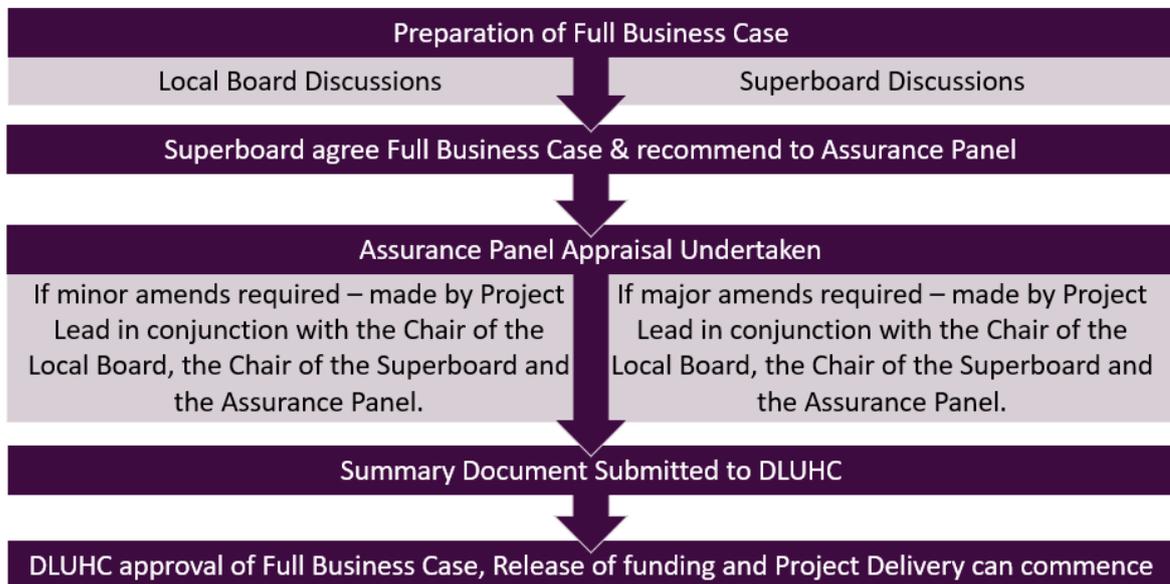
- 4.1. The Towns Fund Business Case Guidance, December 2021, outlined that Towns Fund Full Business Cases should be compliant with the HMT Treasury Green Book (2020). This sets out that Full Business Cases should address five cases; Strategic Case, Economic Case, Commercial Case, Financial Case and Management Case.
- 4.2. Preparing a project business case using the five-case model provides decision makers and stakeholders with a proven framework for structured thinking and assurance that the project: Provides strategic fit and is supported by a compelling case for change, will maximise public value, is commercially viable, is affordable and is funded and can be delivered successfully by the organisation and its partners
- 4.3. Sandwell's Towns Fund Full Business Cases have been prepared according to this model.
- 4.4. Following Cabinet approval on 24 November 2021, an Assurance Panel has been established comprising the Town Deal Board Chair, Director of Regeneration and Growth, Director of Finance (Section 151 Officer) and Cabinet Member for Regeneration and Growth, to appraise Full Business Cases.

5. Submission of Project Summary Documents to DLUHC

- 5.1. Once a Full Business Case has been approved by the Assurance Panel, a Summary Document will be prepared and submitted to DLUHC for review before funding is released. At which point Terms and Conditions of the grant will be provided.



- 5.2. The Summary Document contains an overview of each Business Case, how it has been appraised, and confirmation that key conditions from the Heads of Terms have been addressed (where applicable).
- 5.3. The Chair of the Superboard will be a signatory on the Summary Document.
- 5.4. An outline of the process for approval of a project Full Business Case is as follows:



6. Rowley Regis Satellite Education Hub Full Business Case Summary

Project Description

- 6.1. The Rowley Regis Satellite Education Hub will provide a new, dedicated education and training centre to enable the engagement of young people and adults in Rowley Regis and will work in conjunction with local community groups to provide access to social, medical and other education advice and services – providing a ‘resource centre’ with Sandwell College as the anchor institution.
- 6.2. The Towns Fund investment will address the barrier to economic growth caused by local skills deficiencies and access to a suitably skilled workforce that exists within the Black Country and locally within Sandwell through providing three programmes:
 - Essential Skills – access to foundation skills with English, Maths and Digital Skills
 - Boost – development of pre-access ‘Boost’ programme providing advanced study skills at Level 3 and access to Higher Education
 - Gateway to opportunity - provide ‘Gateway’ provision which will enable those looking for a new career, a career change or for promotion to secure a set of ‘job ready’ skills and access to live job opportunities



Summary of Strategic Case

- 6.3. Sandwell College has grown significantly over the last five years. The iconic Central Campus is running at full capacity at a time where many other institutions have seen falling student numbers. The Towns Fund investment will assist Sandwell College to move back into the community and have a more localised presence in Rowley Regis.
- 6.4. The Satellite Education Hub will occupy Sandwell Council-owned land, a former council run car park. The project is located on Lower High Street, Cradley Heath, within Rowley Regis and is approximately 300 yards away from Cradley Heath rail and bus interchange. This feature is expected to add to the attractiveness of the project, by enabling prospective learners to access the Education Hub from the local area as well from further afield, including the neighbouring borough of Dudley. In addition, it is anticipated that the location of the Education Hub on Cradley Heath's high street will help to attract additional footfall to the town centre.
- 6.5. Research through Sandwell's Inclusive Economy Deal found that 41% of Rowley Regis residents have no qualifications or NVQ Level 1 only, hence the need for an approach which focuses on English, Maths and digital skills. Apprenticeship opportunities within Cradley Heath specifically are on a par with Sandwell borough but are lower than within the wider Rowley Regis area. This may be leading to the lower aspirations formed locally and hence the need to implement Traineeships and other forms of engagement for young people, as well as greater links to employment opportunities through Gateway or sector-based work academy opportunities.
- 6.6. Though Level 4 or above proportions are higher in Cradley Heath, Rowley Regis as an area is lower than the Sandwell borough average – all of which being significantly lower than the UK average of 39.3%, hence the need for 'Boost' and access programmes at Level 3+ as envisaged at TECH.
- 6.7. Engagement with residents has demonstrated a clear demand for an education facility within Rowley Regis for both young people and adults. Surveys with employers have stated that there is a need for curriculum and equipment to keep pace with changes in those sectors and new digital skills sets. Engagement with residents, businesses and other key stakeholders has helped shape the curriculum planning and overall offer of the Education Hub.
- 6.8. The project has been bought forward as part of the Rowley Regis Town Deal through its contribution to the town priority of Raising education and skill aspirations.



6.9. The Rowley Regis Satellite Education Hub project links to the wider strategic objectives of Sandwell Vision 2030, Inclusive Economy Deal and Sandwell Skills Strategy (2020 – 2023).

Summary of Economic Case

6.10. The Rowley Regis Satellite Education Hub project will provide local people with access to an education and training facility within Rowley Regis and enable people to take advantage of opportunities within Sandwell more easily, helping to solve a presently critical issue of low skills and education levels within the local area.

6.11. The project aims to match skills needs of businesses to skills and educational training of local people at the Satellite Education Hub in order to improve wider economic and business outcomes. This growth in GVA will have wide-ranging benefits for local residents, contributing to the vitality and attractiveness of Rowley Regis as a place to live.

6.12. The Benefit Cost Ratio (BCR) calculation for this project is 4.5. The Green Book advises that a BCR of above 2.0 is high Value for Money (VfM), meaning this scheme offers very high VfM.

6.13. The main risks have been identified for the project and are being proactively managed through regular risk review and escalation, as required. The main risks are as follows: -

- *Delays due to Covid-19*
- *Failure to acquire site*
- *Planning application refused*
- *Construction costs over-runs and delays*
- *Delays due to unforeseen groundwork conditions*
- *Delays/ slippages as a result of approvals and DLUHC approvals*

Summary of Management Case

6.14. The project management is resourced through Sandwell College and will be overseen by the Project Manager who will report frequently to the Programme Management Office, Rowley Regis Local Board and Sandwell Superboard.

6.15. The delivery of this project is not dependent upon the delivery of any other TIP projects.



Summary of Financial Case

- 6.16. The project value is £9m funded by Towns Fund. Long term running costs will be met by Sandwell College.
- 6.17. Projected annual income for the Rowley Regis Satellite Education Hub will be, in its first full academic year of operation (2024/25) c.£675,000. This figure is based on the Education Hub operating at approximately 50% capacity. Thereafter, the projected annual income for operating at 100% capacity is c.£1.35m.

Summary of Commercial Case

- 6.18. Sandwell College will comply with the Public Contracts Regulation 2015 in procuring all contractors throughout the development process. All tenders will be published on the Find a Tender Service and Contracts Finder.
- 6.19. Specific social value targets and/ or requirements to be included as part of the contract evaluation. Conditions will include the requirement to utilise local SMEs in the supply chain and appointed contractors and consultants to take on apprentices.

Equality Impact Assessment

- 6.20. An equality impact assessment has been conducted and is appended. The creation of the Training and Education Hub is likely to have positive impacts for students and the working age population through the creation of new opportunities, as well as wider community benefits through a combination of higher education and skills levels in the region.
- 6.21. However, some groups may experience negative impacts from the development of this facility during the construction period. Actions to mitigate impacts have been recorded within the Equality Impact Assessment.

Construction

- 6.22. Age: potential negative impacts during construction of the new build, including on residential properties or community facilities close by. Older people and children who are particularly vulnerable to these changes may be impacted by noise and air pollution during this period
- 6.23. Disability: potential negative impacts particularly around the potential for blocked access routes and parking facilities within the town centre or through the effect of noise and air pollution on existing health conditions



Operational

- 6.24. Age: improving social, cultural and educational benefits for young people and adults and community impacts to the wider Sandwell population
- 6.25. Disability: With the policy objective to increase skills provision for those with disabilities and mental health conditions, specific skills and educational training will be offered to those with special educational needs.
- 6.26. Race, Sex, Gender Reassignment and Sexual Orientation: through creating a welcoming environmental for all residents, increasing opportunities for local residents to be supported in critical economic sectors to achieve new skill levels and opportunities

Environmental Impact Assessment

- 6.27. An Environmental Impact Screening has been undertaken and is appended. The screening has identified that Schedule 1 and 2 of the EIA regulations do not apply to this project and therefore a full assessment is not required.

Project Adjustment

- 6.28. Any project changes within the Towns Fund need to be formally submitted to DLUHC as a project adjustment request, following discussion with Sandwell's allocated Towns Fund Area Lead. Changes are recorded via a Project Adjustment Form outlining the changes made, rationale and detail of consultation to communicate changes.
- 6.29. Following detailed design and feasibility work by Sandwell College, the project has reduced the number of learners assisted however, has increased outputs around size of facility, apprenticeships/ traineeships offer, and number of unemployed adults supported.
- 6.30. The mix of learners as well as quantity assisted is now viewed to be better in line with the needs of the local area. The project delivery team will seek opportunities to over-achieve targets once the asset is operational.
- 6.31. A Project Adjustment Form has been prepared for the Rolfe Street Canalside Regeneration project to record the following changes: -

Original Output/ Outcome	Revised Output/ Outcome
2,082 sqm increase in capacity and accessibility to 1 new or improved skill facility	2125 sqm increase in capacity and accessibility to 1 new or improved skill facility



Original Output/ Outcome	Revised Output/ Outcome
Potential for 20 full time jobs in created	No change to report
Increased and closer collaboration with employers	No change to report
Involvement of local SMEs to enable an expansion of opportunities to upskill or certify employed adults as well as retrain unemployed adults (Referrals in from JCP).	No change to report
Increase in the breadth of the local skills offer that responds to local skills needs	No change to report
150 x traineeships and Access to Apprenticeships/ Study Programmes;	175 x traineeships and Access to Apprenticeships/ Study Programmes; <ul style="list-style-type: none"> • 100 x Traineeships • 75 x Apprenticeships
200 unemployed adults seeking jobs in priority settings supported per year.	250 unemployed adults seeking jobs in priority settings supported per year.
Increased benefit for the public education over the long term - Skills and training opportunities for 3 groups of learners	No change to report
505 new learners assisted	475 learners assisted
80% of learners gaining relevant experience/being 'job ready' (as assessed by employers)	90% of learners gaining relevant experience/being 'job ready' (as assessed by employers)
5% decrease in percentage of population with low/no qualifications	No change to report

Appendices

Rowley Regis Satellite Education Hub Full Business Case document including:

- Consultation and Engagement Plan
- Equality Impact Assessment
- Environmental Impact Assessment
- Risk Register
- Monitoring and Evaluation Plan

Source Documents

- Rowley Regis Satellite Education Hub Project Confirmation Table
- Rowley Regis Town Deal Heads of Terms
- MHCLG Business Case Guidance, December 2020
- MHCLG Monitoring and Evaluation Guidance, April 2021

